

PART 2000 - GENERAL

Subpart - FFF - Memorandum of Understanding Between the Rural Housing Service
and the Rural Utilities Service

§2000.2851 General

The Rural Housing Service (RHS) has entered into a Memorandum of Understanding (Exhibit A) with the Rural Utilities Service (RUS) to establish policies and procedures to coordinate the use of Distance Learning and Medical Link Grant Program (DLMLGP) applications. The RHS Community Facilities (CF) programs can be directed toward the same rural underserved areas to provide educational and medical benefits to people living in rural areas. RHS will review the RUS DLMLGP applications (not funded by RUS) to determine if the applications may be eligible for the CF programs.

§§2000.2852 - 2000.2900 [Reserved]

Attachment: Exhibit A

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Distribution: WSDC

Administration
General

MEMORANDUM OF UNDERSTANDING
Between the
RURAL HOUSING SERVICE
and the
RURAL UTILITIES SERVICE
U.S. DEPARTMENT OF AGRICULTURE

I. Background

There is a need to improve the services offered to residents in the rural areas of the country. The financial resources available to assist rural communities in meeting their needs are limited; therefore, it is important to join efforts between Federal agencies and programs available to help rural areas obtain these services. With this objective in mind, the respective agencies have entered into this Memorandum of Understanding (MOU).

The Rural Housing Service (RHS) administers the Community Facilities (CF) direct and guaranteed loan programs as authorized by the Consolidated Farm and Rural Development Act, as amended. CF can make and guarantee loans for essential community facilities which primarily serve rural residents and businesses in areas and towns of up to 20,000 in population.

The Rural Utilities Service (RUS) administers the Distance Learning and Medical Link Grant Program (DLMLGP) created under the authority of the Rural Economic Development Act of 1990. The DLMLGP was established to improve rural opportunities and make affordable the use of advanced technology to provide educational and medical benefits to people living in rural areas.

Each year RUS receives many more DLMLGP applications for grant funding than their budget authority can accommodate. Since both programs can be directed toward the same rural underserved areas that have the strongest impact in meeting the needs in the rural areas, arrangements are being made through this MOU to coordinate the review of unsuccessful DLMLGP applications submitted to RUS.

II. Purpose

The purpose of this MOU is to establish policies and procedures for RUS to provide to RHS (for review) the applications not selected for DLMLGP funding to determine if applicants may be eligible for the RHS CF program.

RUS:

RUS can make DLMLGPs to organizations that operate educational or medical facilities. The grants may finance up to 80 percent of the cost of equipment (generally excluding transmission equipment), software, instructional programming, technical assistance, and related engineering and environmental studies. An individual grant cannot exceed 10 percent of that fiscal year's appropriations for the program.

RHS:

RHS can make CF direct and/or guaranteed loans for educational and medical facilities to an eligible public body or nonprofit corporation which (a) can demonstrate that it is unable to finance the proposed project from its own resources or from commercial credit at reasonable rates and terms, (b) has authority to develop, own, and operate the proposed facility, (c) can legally borrow money and make payments on debts obligated, and (d) will primarily serve rural residents and businesses. Loan repayment may be for up to 40 years or the useful life of the facility.

III. Agreement

In accordance with the understandings contained in this MOU:

RUS will:

1. Process DLMLGP applications according to Agency guidelines.
2. Award DLMLGPs to successful applicants.
3. Provide RHS the opportunity to review the remaining DLMLGP applications that may be eligible applicants for the CF program.

RHS will:

1. Review the applications to determine which applicants and proposed projects may be eligible applicants for the CF program;
2. Invite applicants who appear eligible to apply for the CF program, as funding authorities permit; and
3. Process CF applications at the appropriate Rural Economic and Community Development Office.

IV. Effective Date

This MOU will become effective upon signature and shall continue in effect until terminated in writing by either party.

V. Modification or Cancellation Provision

This MOU may be modified or amended by written agreement of the two parties. Requests for modifications and amendments may be initiated by either party through written notification.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL HOUSING SERVICE

____12/18/95
Date

/s/ Maureen Kennedy
Administrator

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

____12/21/95
Date

/s/ Waley Beyer
Administrator

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